# Thyssenkrupp Steel: IG Metall union promotes sale to Indian billionaire

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**25 September 2025**

Shortly after the IG Metall union and its works council representatives pushed through the elimination of almost one in two jobs at Thyssenkrupp Steel Europe (TKSE), the Indian corporation Jindal International Steel submitted a takeover bid. The trade union apparatus immediately welcomed it. Their concern is not the long-term safeguarding of jobs, as they claim, but solely their own privileges.

The offer does not come directly from the listed Jindal Steel company, but from the unlisted Mauritius-based holding Jindal Steel International. Finance daily *Handelsblatt* reports: “This company is active in several countries, but its financial position is difficult to assess.”

Jindal sought to win favour in Duisburg—TKSE’s largest site—with grand promises. The direct reduction plant in Duisburg is to be completed, and an additional €2 billion invested in electric arc furnaces. “From Oman, green sponge iron pellets could be delivered to Duisburg to feed the arc furnaces to be built,” enthused Jürgen Kerner, second chairman of IG Metall (IGM) and deputy chairman of Thyssenkrupp AG’s supervisory board.

Naveen Jindal’s company produced 8.1 million tonnes of steel last year, according to the World Steel Association, generating revenue of around €4.8 billion and a profit margin of 19 percent—significantly more profitable than Thyssenkrupp Steel Europe. With 10.3 million tonnes of steel, Thyssenkrupp achieved revenues of €10.7 billion, but with a profit margin of less than 3 percent.

Reports suggest that Jindal initially wants to take a 60 percent stake and later acquire all of TKSE. Czech billionaire Daniel K?etínský, who holds 20 percent of the company and wanted to increase this to 50 percent, has not yet commented on Jindal’s offer. Thyssenkrupp’s steel division is valued at €1.2 billion, but pension liabilities most recently stood at €2.5 billion, which Jindal, like K?etínský, will not take on without compensation. It is therefore assumed that parent company Thyssenkrupp AG will pay extra to rid itself of the steel division.

The takeover of Thyssenkrupp’s steel division is part of the expansion strategy of the Indian billionaire, who since last year has also sat in parliament for the Hindu-chauvinist ruling BJP (Bharatiya Janata Party) of Indian Prime Minister Narendra Modi.

Last year, Jindal Steel International acquired 100 percent of Vitkovice Steel in the Czech Republic. Earlier this year, an attempt to buy the Italian steelmaker Acciaierie d’Italia failed. Besides its plants in India, Jindal also operates mines and factories in the Middle East (especially Oman), Australia and Africa. The group also maintains close business relations with Russia, purchasing coking coal and exporting steel there. The German government, the driving force behind the escalation of the war against Russia, will therefore intervene in the negotiations. The nearly €3 billion in subsidies for “green steel” from the federal and North Rhine-Westphalia (NRW) state governments, of which about €1 billion has already been paid, will also be on the table.

Jindal Steel had expressed interest in buying TKSE several years ago. Talks are said to have collapsed by 2023 at the latest over differences on price, influence rights and site guarantees. Naveen Jindal has evidently prepared his offer more carefully this time. He is said to have been in the Ruhr region several times, most recently a few days ago, to present his bid. He reportedly wrote personal letters to IG Metall functionaries on supervisory boards and works councils. Because he pledged to maintain German “co-determination,” giving union functionaries well-paid posts on various committees, the trade union bureaucrats immediately pledged him their support.

On the same day Jindal publicly announced his takeover bid, IG Metall issued a press release in which IGM Deputy Kerner declared, “The employee side is ready to participate constructively in the process.” Tekin Nasikoll, chairman of the Thyssenkrupp group works council, also saw the offer as a “positive signal.” Nasikoll reported, “In a first personal letter to me, the owner family declared their intention to invest in our sites and emphasised the importance of the culture of co-determination.”

In an interview with the *Westdeutsche Allgemeine*

*Zeitung* a few days later, Kerner added, “It is also positive that Jindal has committed to building the DRI plant in Duisburg and to industrial co-determination, thus taking up the issues of conflict in recent months.”

Kerner believed the offer had been well prepared, “That it comes two weeks after the positive membership vote on restructuring is no coincidence. Because now it is clear that employees, despite cutbacks, are prepared to go along this difficult but necessary path.”

In other words, IG Metall and the works council have, with the billions in cuts contained in the so-called “social contract,” made the steel division ripe for takeover.

So when Kerner, Nasikoll and Co. now talk in connection with the Jindal offer about safeguarding sites and jobs, it is a lie. With the “social contract,” IG Metall demonstrated its indifference to the workforce; IGM enshrined the destruction of 11,000 of 27,000 jobs, along with painful wage cuts for the remaining workers.

There is no “red line” for the IG Metall apparatus and its works council reps when it comes to wages and jobs. But they cry out immediately when “co-determination” is at stake.

What IG Metall calls “co-determination” is in reality the legalised corruption of the union bureaucracy in Germany. By law, trade union officials and the entire IGM apparatus are royally rewarded by the corporations for acting as factory police. Supervisory boards are half-filled with trade union representatives, who receive high five- to six-figure sums annually. Jürgen Kerner received €186,500 in the 2023/24 financial year, while then IGM secretary Markus Grolms, who even chaired the Thyssenkrupp supervisory board for three months in 2018, received €167,500 that year. Works council chairs also receive high, mostly six-figure salaries.

It can become really lucrative when one of them subsequently becomes HR director. IG Metall has the right of nominating this post and rewards its functionaries with these lucrative positions, which bring millions in salary and perks. Thus Markus Grolms became HR director at TKSE from 2020 to January 2025, raking in millions. While Grolms now sits on the supervisory board of Deutsche Edelstahlwerke, he was succeeded as HR director at TKSE by Dirk Schulte, son of former Thyssenkrupp Steel boss and Dieter Schulte, chairman of the German Confederation of Trade Union (DGB).

Most lucrative of all has been Oliver Burkhard’s career. The former IG Metall NRW district secretary rose via the HR directorship at Thyssenkrupp (annual salary over €1 million) to CEO of the arms manufacturer Thyssenkrupp Marine Systems (annual salary up to €4.5 million, or €375,000 per month).

That is why IG Metall has for years insisted on so-called “framework agreements” in every change or sale. When Thyssenkrupp Steel was to merge with Indian steel group Tata Steel in 2017, IG Metall and the works council supported cutting at least 2,000 jobs in return for “saving” the co-determination setup. Shortly thereafter, Grolms initiated the first framework agreement, later extended under Martina Merz. Like her predecessor Guido Kerkhoff, Merz was tasked with breaking up the group on behalf of shareholders and turning it into a kind of holding company. What Merz failed to achieve is now being pursued by Miguel Lopez at Thyssenkrupp.

Lopez is now supposed to safeguard “co-determination” and extend the framework agreement that expires this month. But IG Metall is keeping its campaign on a low flame. The last thing the union and works council apparatus want is a broad mobilisation by the workers.

The disgraceful role of the union bureaucrats is also evident in the current bargaining round for the 60,000 employees of the north-west German iron and steel industry. IG Metall made no percentage increase demand, merely asking that “real wages be secured.” The steel companies gratefully seized upon this invitation and offered a 1.2 percent wage and salary increase in the third round of negotiations. The union then offered to settle for a 2 percent pay rise, below the rate of inflation.

To defend the traditional Thyssenkrupp steelworks along the Rhine and Ruhr, a fight against the union apparatus and its works council reps is necessary.

The first step requires new fighting organisations: rank-and-file action committees controlled by workers themselves. IG Metall works council reps have no place in them. These committees must fight for the broadest mobilisation of the working class in Germany, Europe and internationally. The Sozialistische Gleichheitspartei (Socialist Equality Party) and the *World Socialist Web Site* offer their support in this fight.

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